

# From Poverty to Decent Work: Bridging the Gap through the Millennium Development Goals



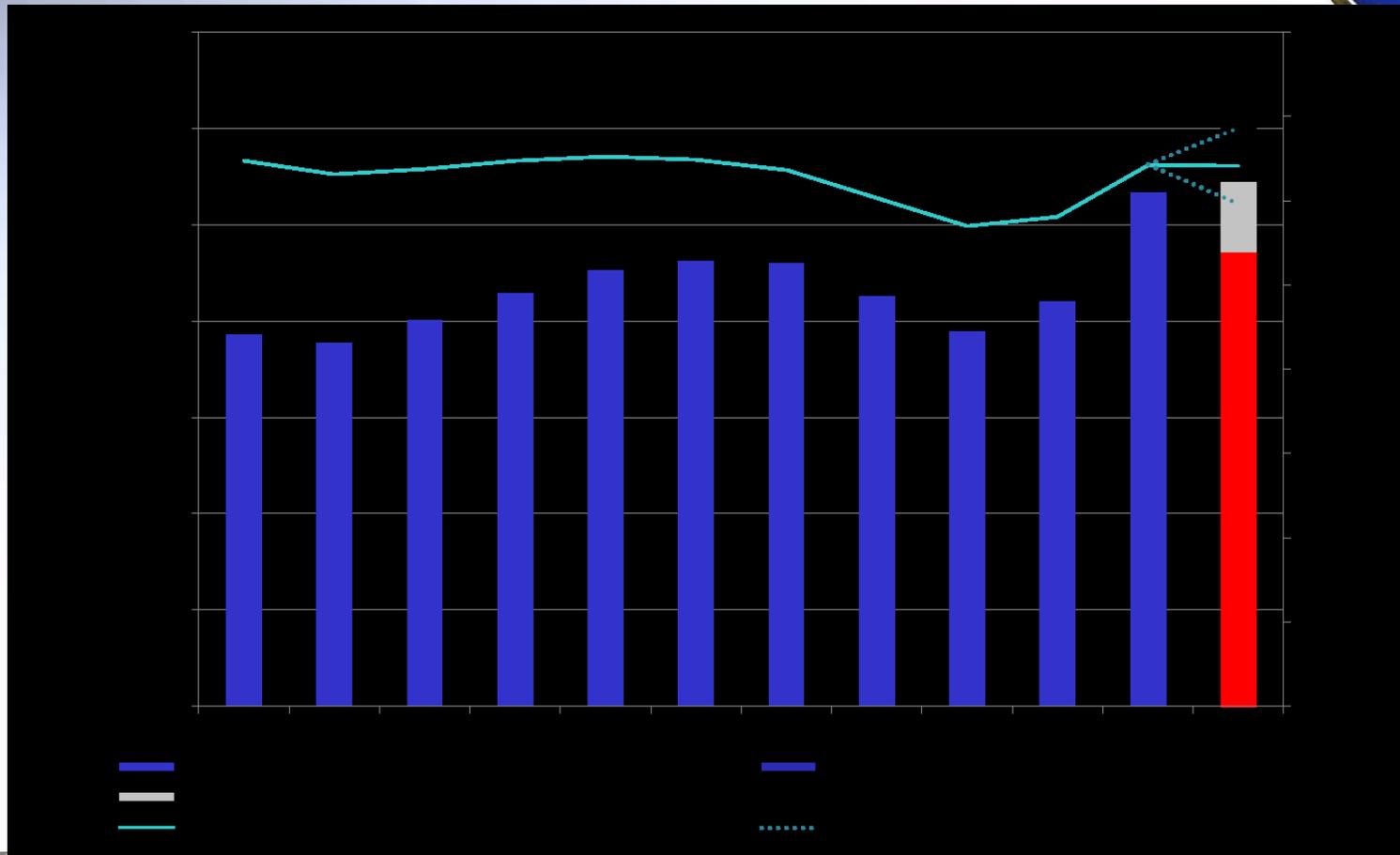
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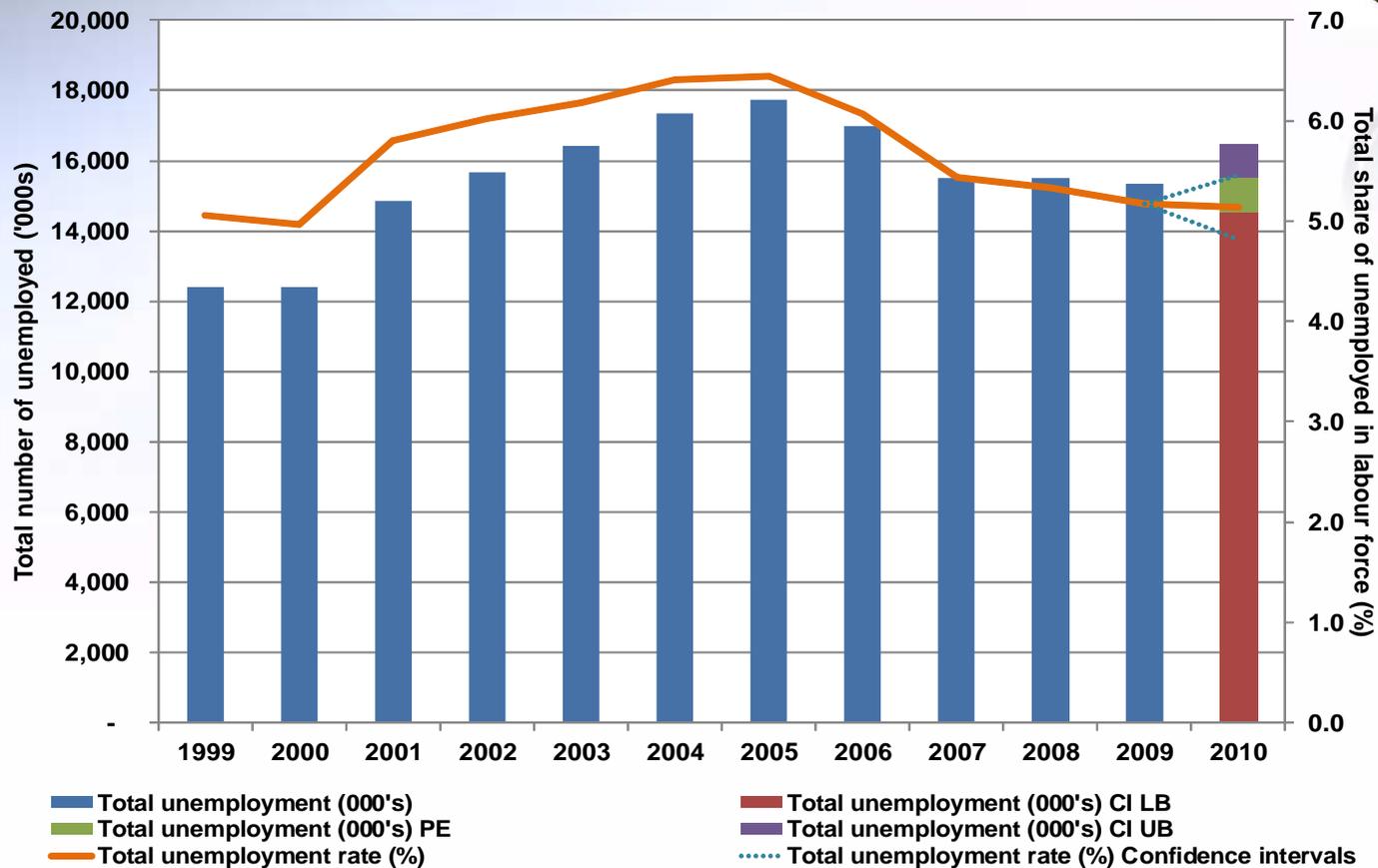
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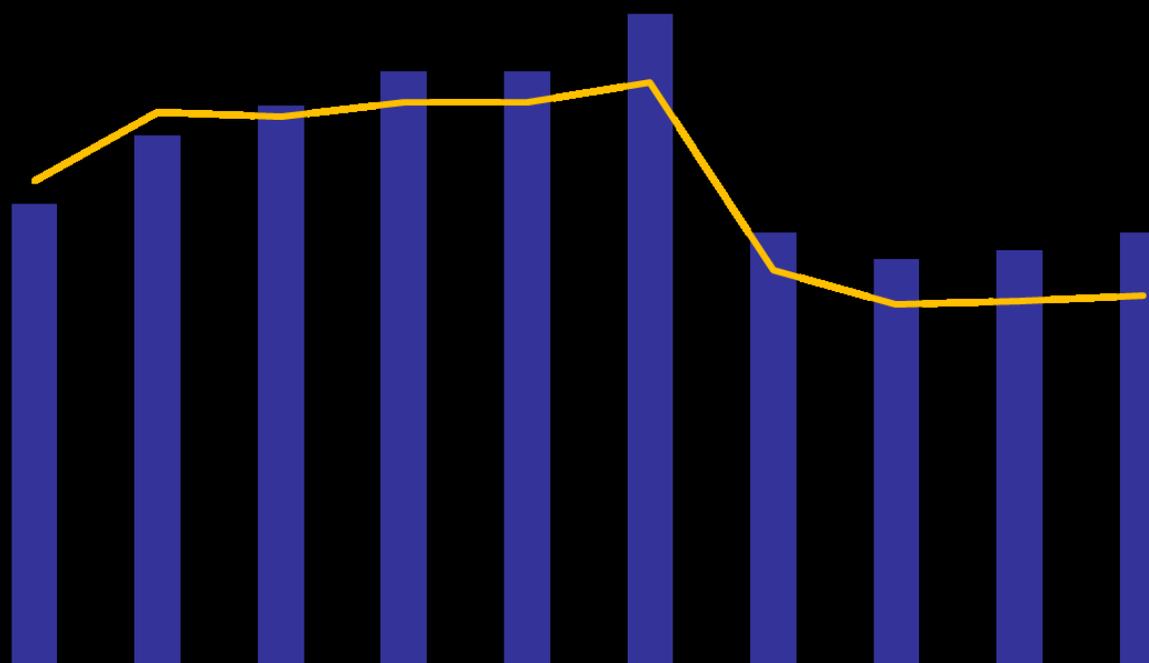
# Global unemployment ('000s) and unemployment rate (%)



# South East Asia & the Pacific – Unemployment ('000s) and unemployment rate (%)



# Philippine Unemployment ('000s) and Unemployment Rate (%)



■ Total Unemployed ('000)

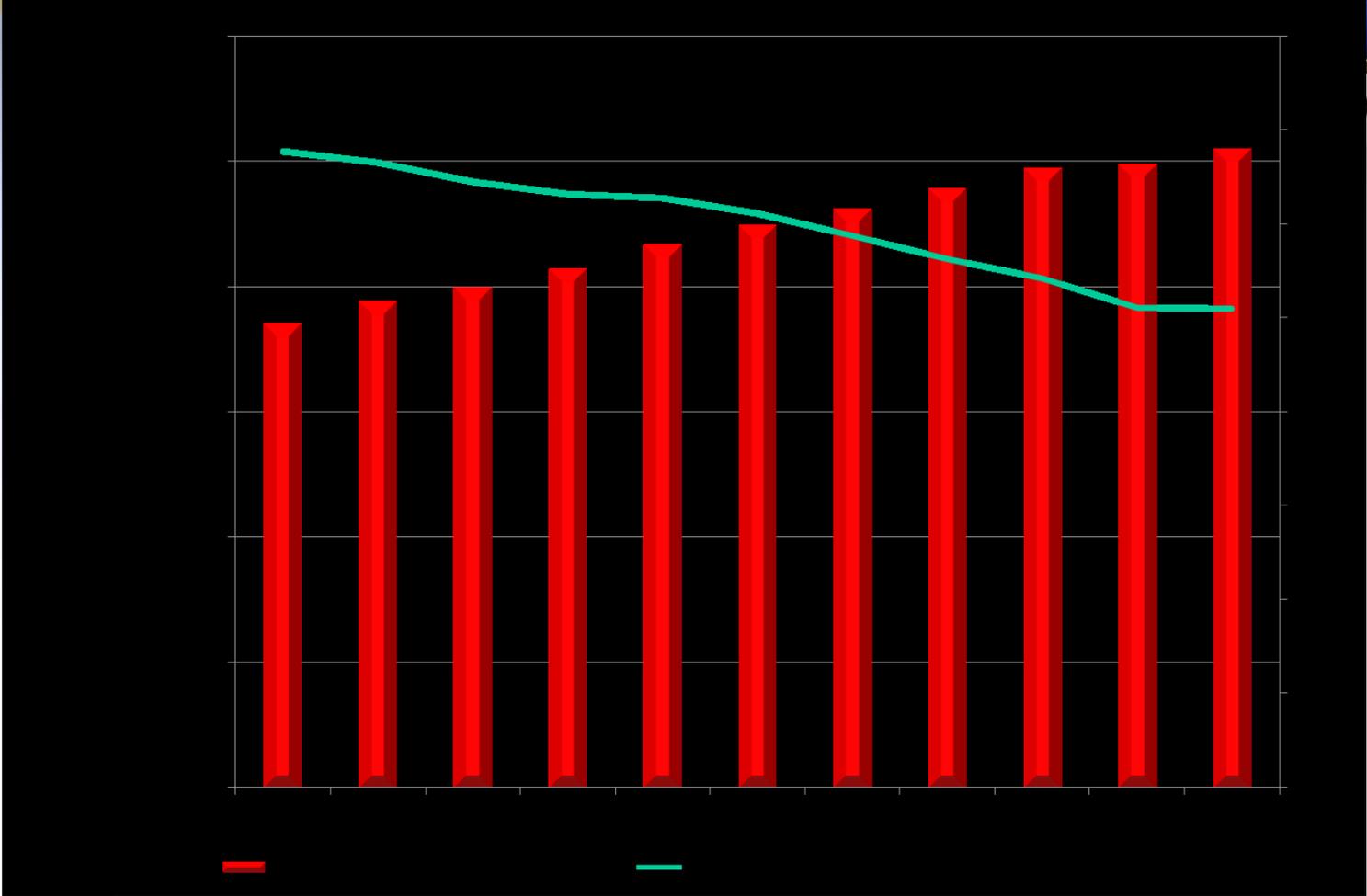
— Unemployment Rate (%)

Source: Constructed from estimates from the NSO's Labor Force Survey (LFS) given years, 2005 data could not be computed due to change in the definition of unemployment starting the 2005 LFS round



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# Global Vulnerable Employed and Vulnerable Employment rate (%)



# The Millennium Development Goals



Eradicate extreme poverty and hunger



Achieve universal primary education



Promote gender equality and empower women



Reduce child mortality



Improve maternal health



Combat HIV/AIDS, malaria and other diseases



Ensure environmental sustainability



Develop a global partnership for development



## MDG Employment Indicators Background



Following the 2005 World Summit the Inter-Agency and Expert Group on MDG indicators developed a new target has been included under MDG1 (Target 1b):

*Achieve full and productive employment and decent work for all, including for women and young people*

The new target is monitored using four new employment indicators, which are additional to the existing indicator under MDG3 on gender equality.



# MDG Employment Indicators



## MDG1 Eradicate extreme poverty and hunger, Target 1B ('decent work')

- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ Vulnerable employment rate by sex
- ✓ Working poverty rate
- ✓ Labour productivity growth rate



## MDG1B indicators

### Employment-to-population ratio



- ✓ Employment-to-population ratios for persons aged 15+ and youth (15-24) by sex
- ✓ The EPR measures the proportion of a country's working age population that is employed
- ✓  $EPR = \text{Total employment} / \text{working age population} * 100\%$
- ✓ Source of data: labour force survey or other household survey/population census with data on population and employment



## MDG1B indicators

### Employment-to-population ratio

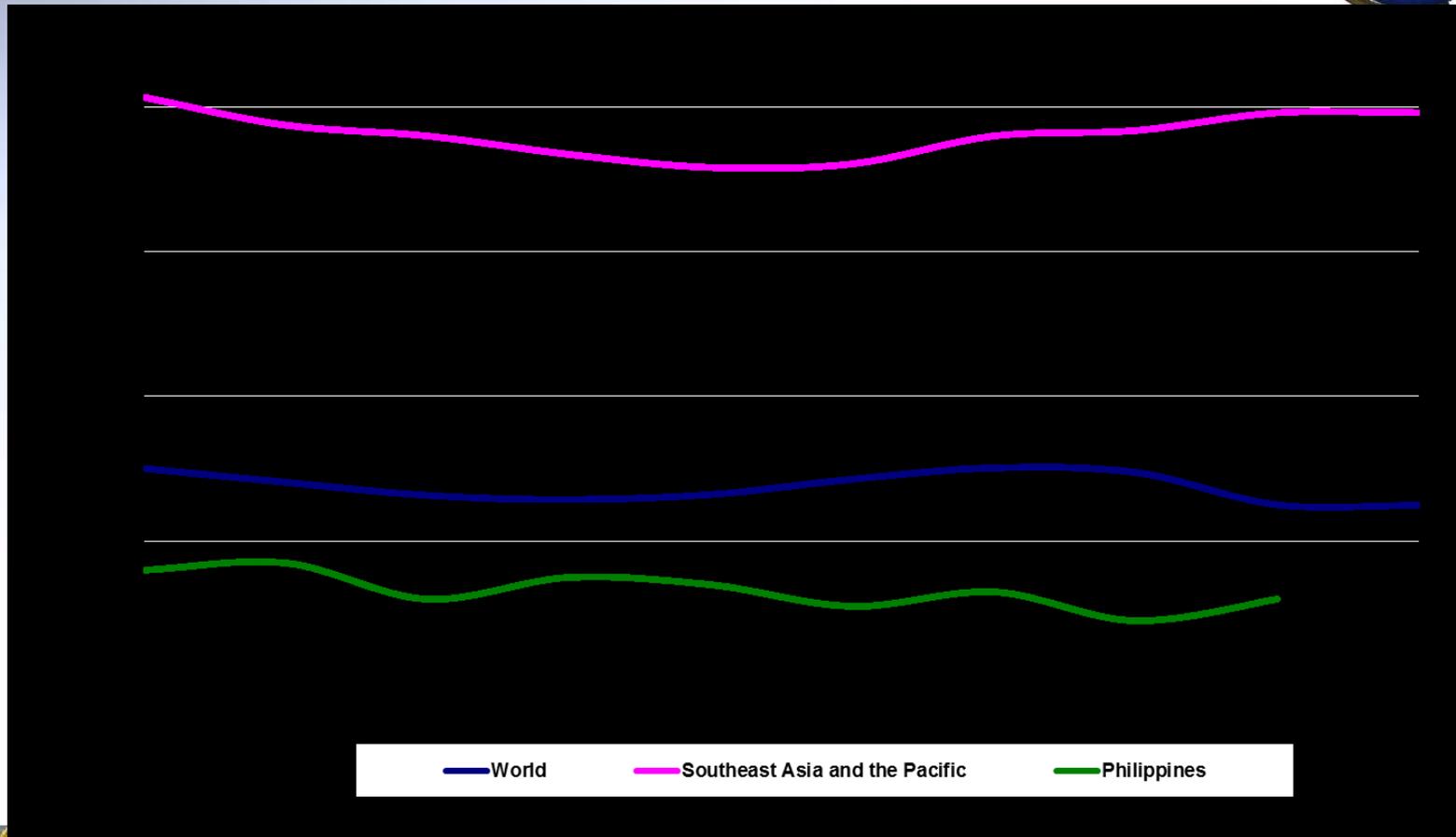


- ✓ There is no single 'correct' employment-to-population ratio
- ✓ Careful analysis of EPRs can be used to provide insight on various labour market issues such as low incomes, inadequate social security or gender imbalances. Analysis should cover comparisons of EPRs between labour market groups defined by sex or age, international comparisons, comparisons over time, etc.
- ✓ Analysis of labour market issues often necessitates investigation of additional indicators, e.g. vulnerable employment rates, unemployment rates, or enrolment rates in education.



# MDG1B indicators

## Employment-to-population ratio (%)



Source: ILO Trends Econometric Models



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## MDG1B indicators

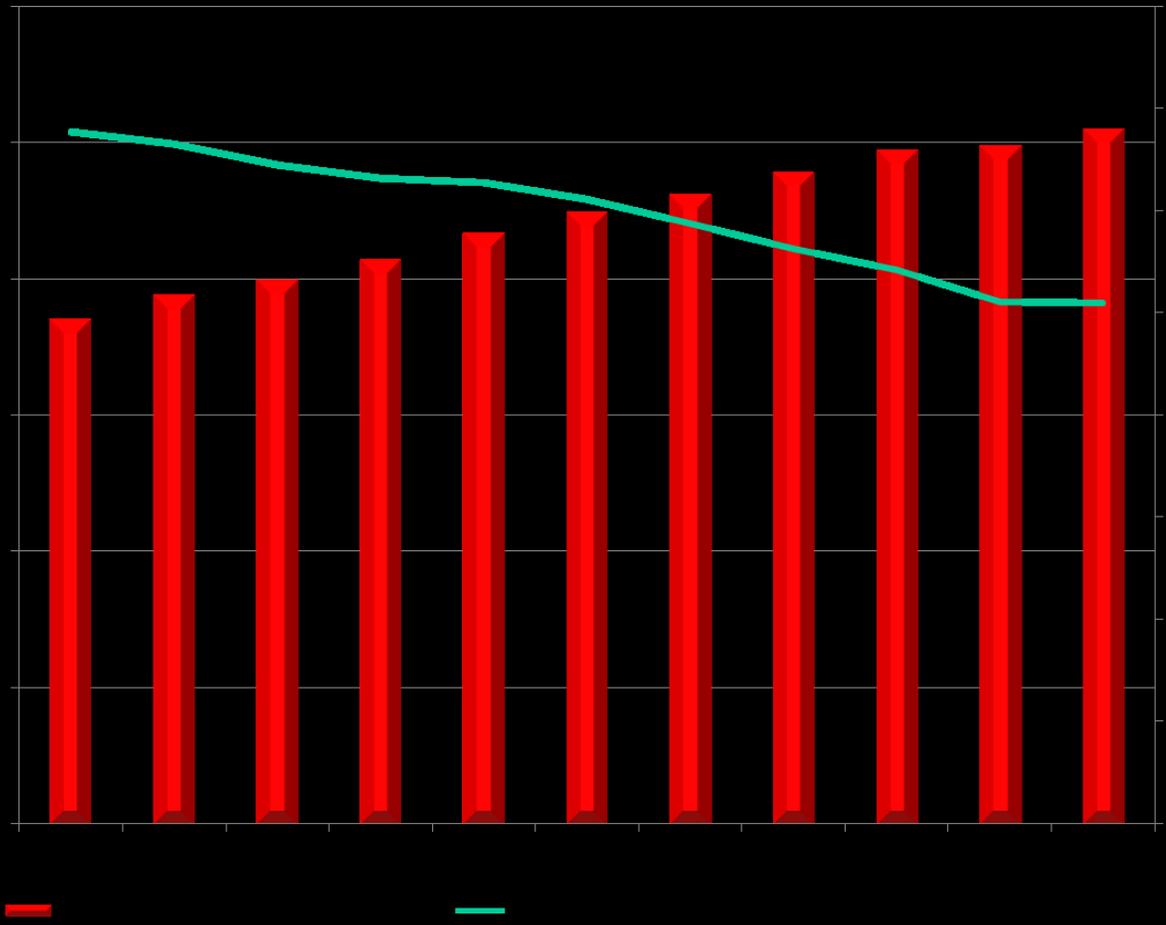
### Vulnerable employment rate



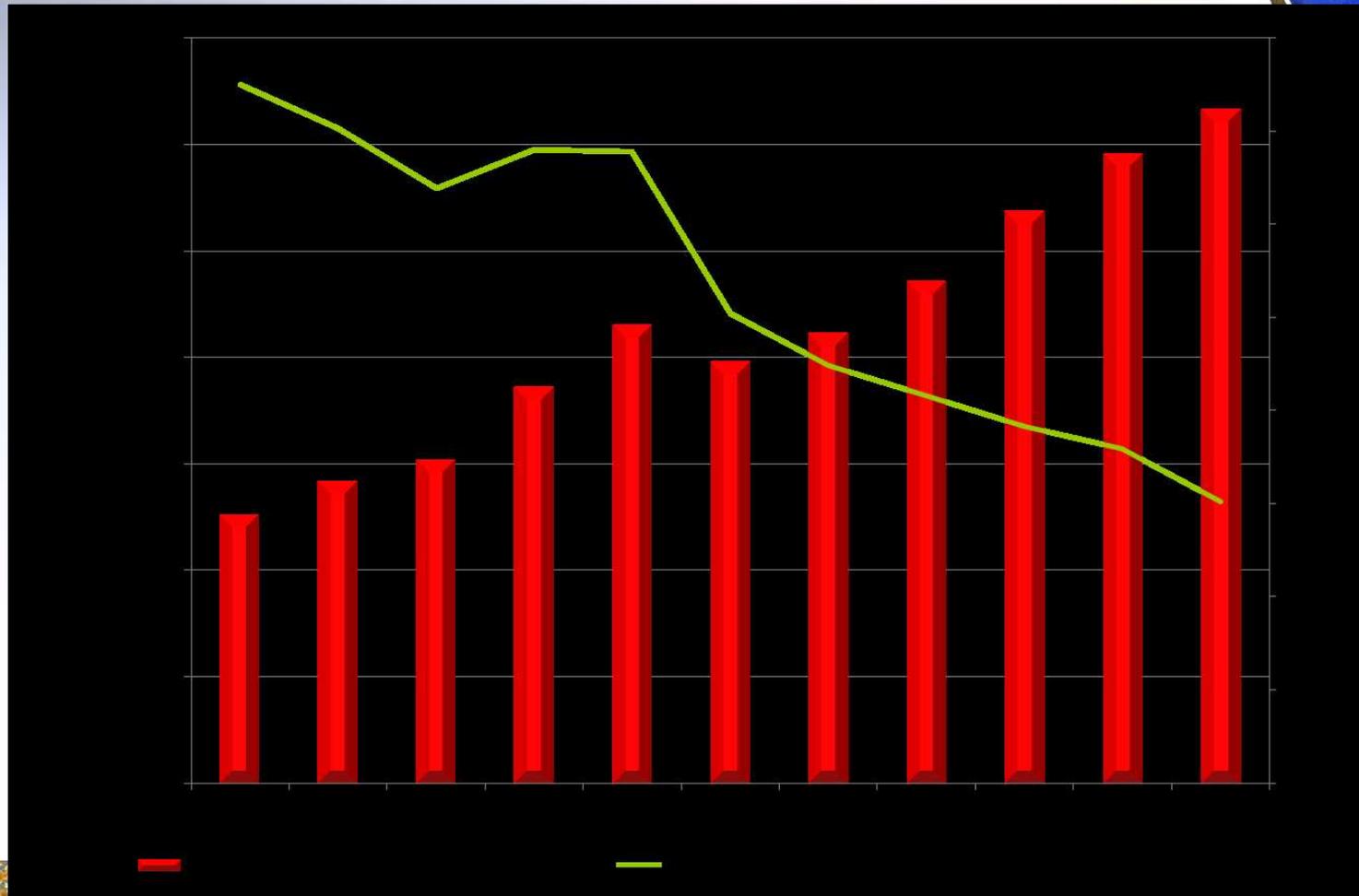
- ✓ Vulnerable employment rate for persons aged 15+ by sex
- ✓ The vulnerable employment rate is a measure of the more vulnerable statuses of employment, namely own account workers and contributing family workers
- ✓ Vulnerable employment rate = (number of own-account workers + number of contributing family workers)/total employment \* 100%
- ✓ The rate is typically related to level of GDP per capita
- ✓ Source of data: labour force survey or other household surveys with data on status in employment



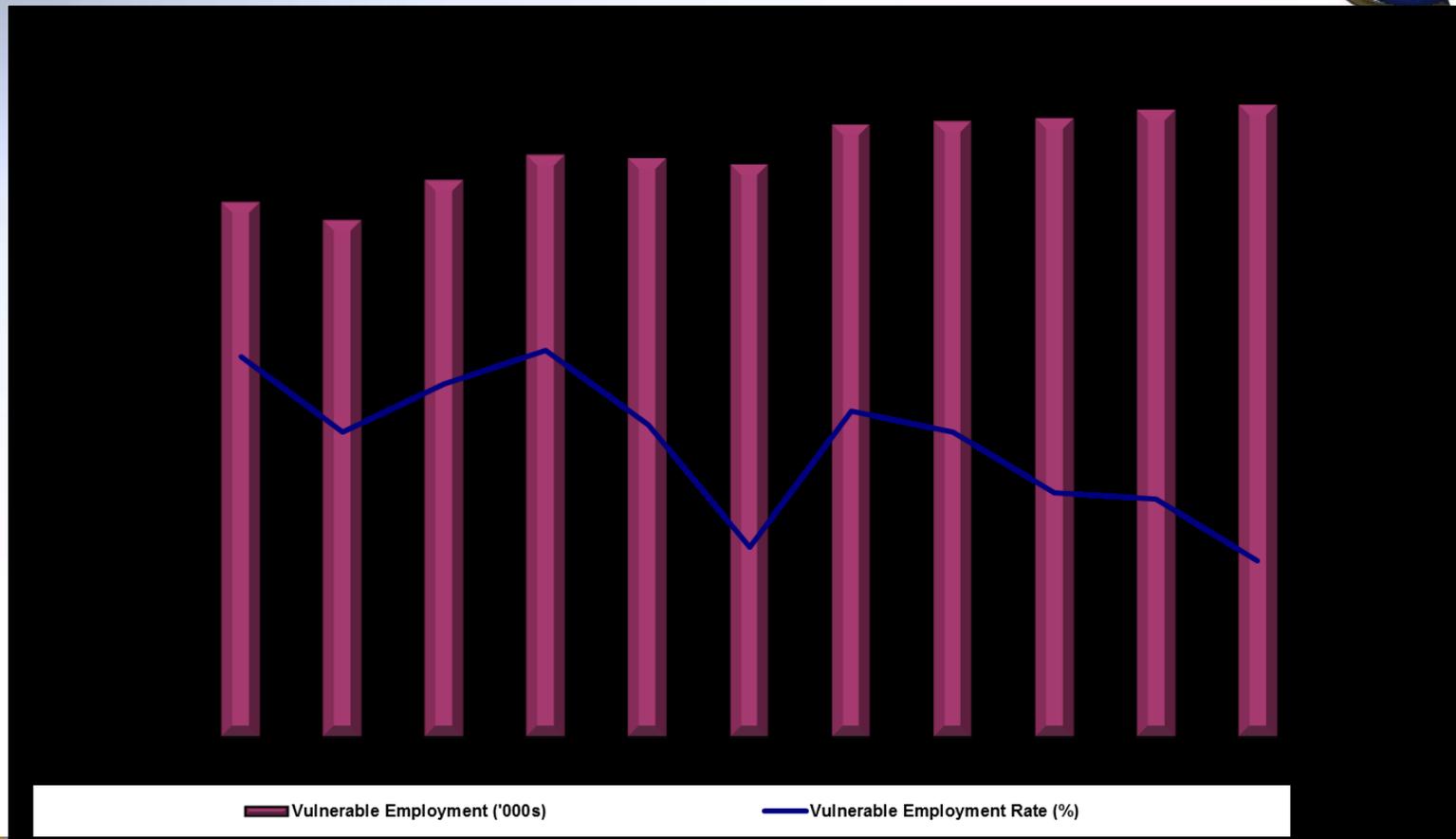
# Global vulnerable employed and vulnerable employment rate (%)



## South East Asia & the Pacific - vulnerable employed & vulnerable employment rate (%)



# Philippine Vulnerable Employed and Vulnerable Employment Rate (%)



Vulnerable Employment ('000s)

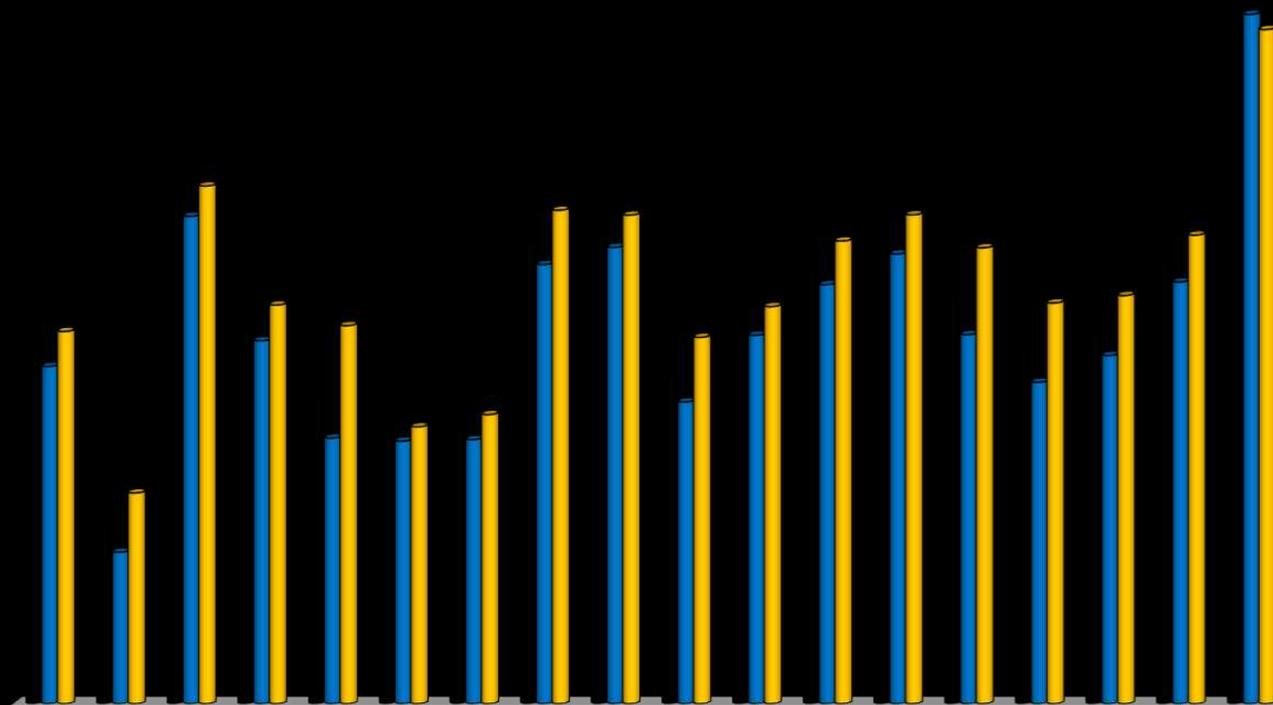
Vulnerable Employment Rate (%)

Source: Constructed from estimates from the NSO's Labor Force Survey given years



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# Philippine Vulnerable Employment by Sex by Region (2008) (%)



■ MALE VULNERABLE EMPLOYMENT (%)
 ■ FEMALE VULNERABLE EMPLOYMENT (%)
 ■ TOTAL VULNERABLE EMPLOYMENT (%)



## MDG1B indicators

### Working poverty rate



- ✓ Working poverty rate for persons aged 15+
- ✓ The working poor are defined as employed persons living in a household whose members are estimated to be below the nationally-defined poverty line
- ✓ Working poverty rate = working poor/total employment\* 100%
- ✓ Source of data: household surveys with both employment and income & expenditure data; if data on employment and poverty come from different sources, an approximation may be used to arrive at the working poverty rate (see the *Guide to the new Millennium Development Goals Employment Indicators*)

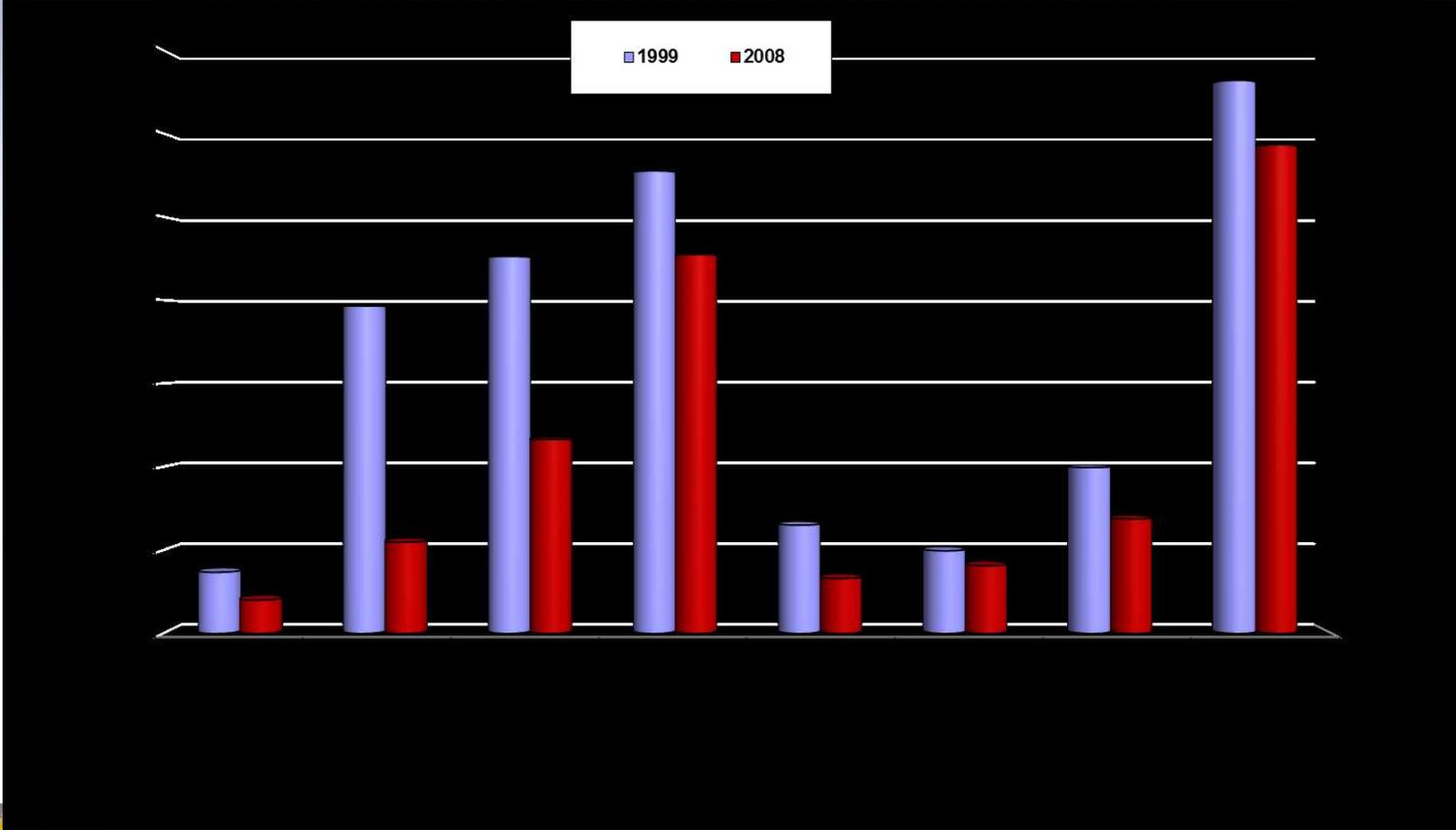


# MDG1B indicators

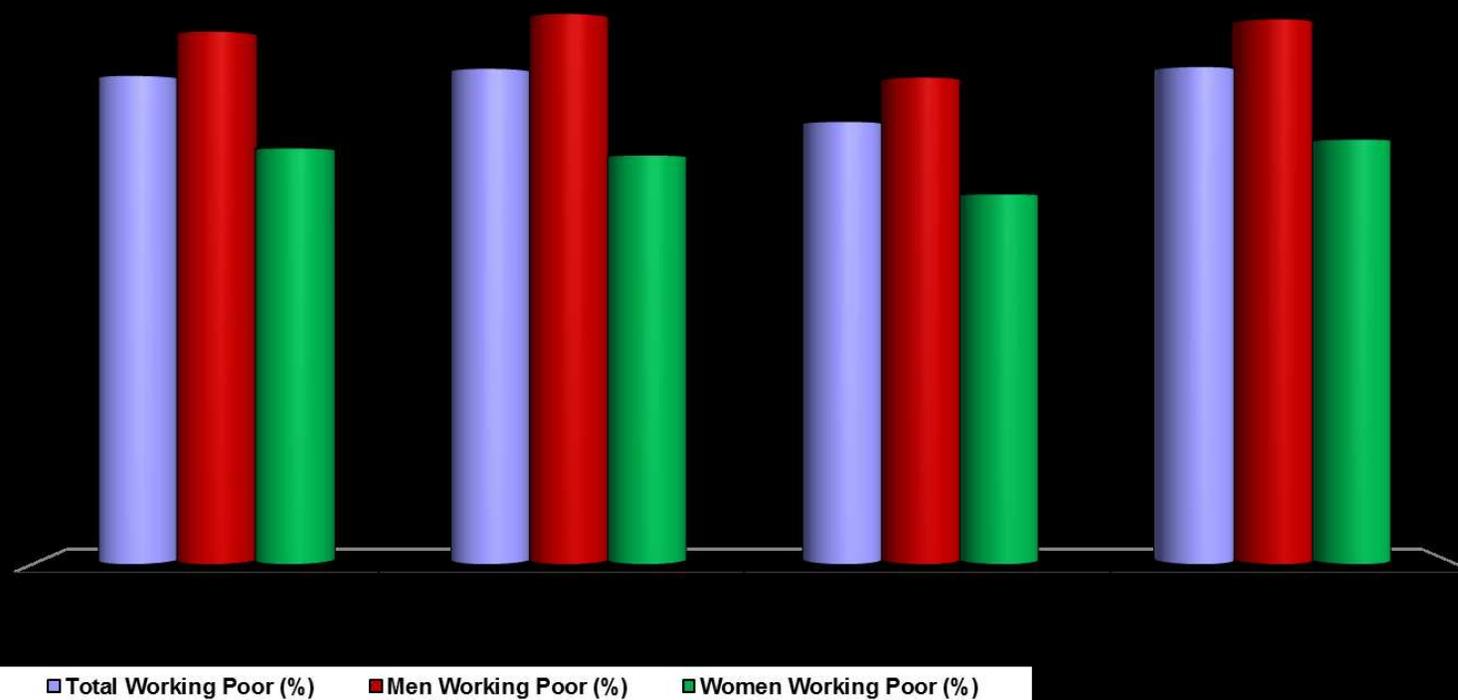
## Working poverty rate



Working poverty US\$ 1.25 by region 1999 and 2008



# Philippine Working Poverty Rate (%) by Sex (1997-2006)



Note: Data used national poverty line from the NSCB National Poverty Statistics  
Source: Estimates constructed from NSO Labor Force Survey as cited in 2009 Gender Statistics on Labor and Employment and DOLE-BLES Report on Low-Paid Workers in the Philippines: A Key Policy Concern



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## MDG1B indicators

### Growth rate of labour productivity

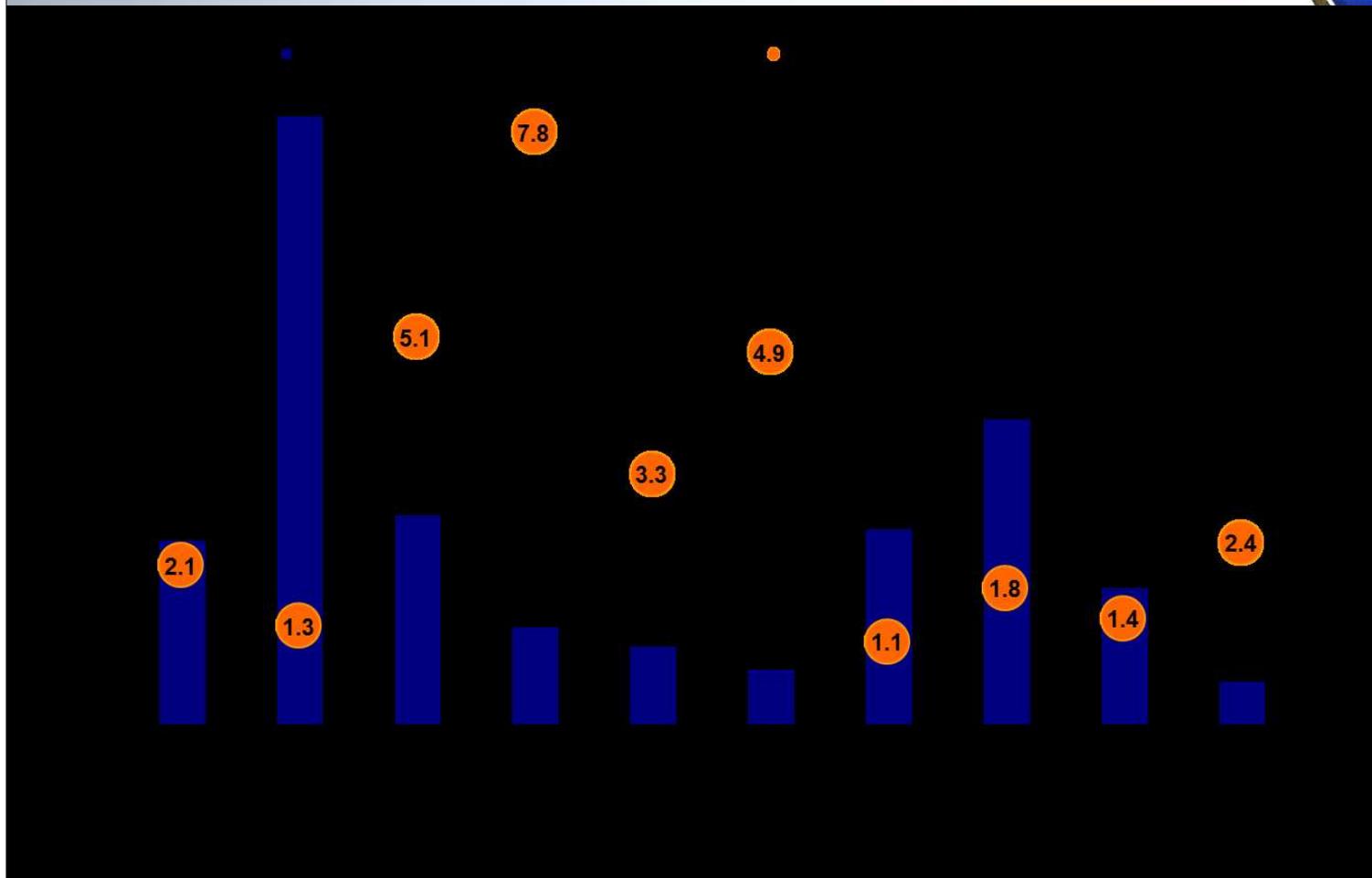


- ✓ Labour productivity represents the amount of output achieved per unit of labour input
- ✓ Labour productivity =  $\text{GDP [measured at constant market prices in national currency]} / \text{total employment}$
- ✓ Labour productivity growth rate is measured as the annual change in GDP per person employed
- ✓ Labour productivity can be used to assess to which extent the economic environment allows for the creation of decent employment opportunities
- ✓ Source of data: labour force survey or other household survey/population census with data on employment, in combination with data from national accounts

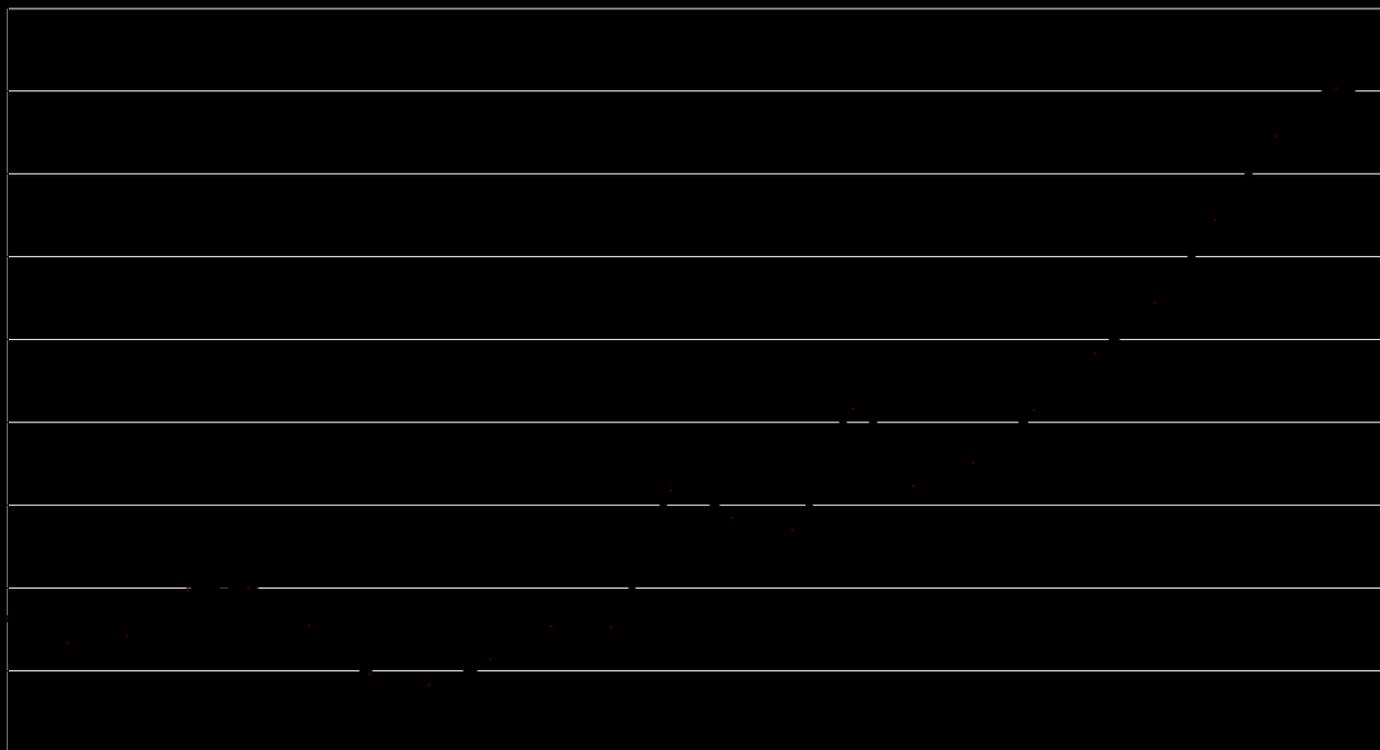


# MDG1B indicators

## Growth rate of labour productivity



# Labor Productivity Growth (1990 Base Year)

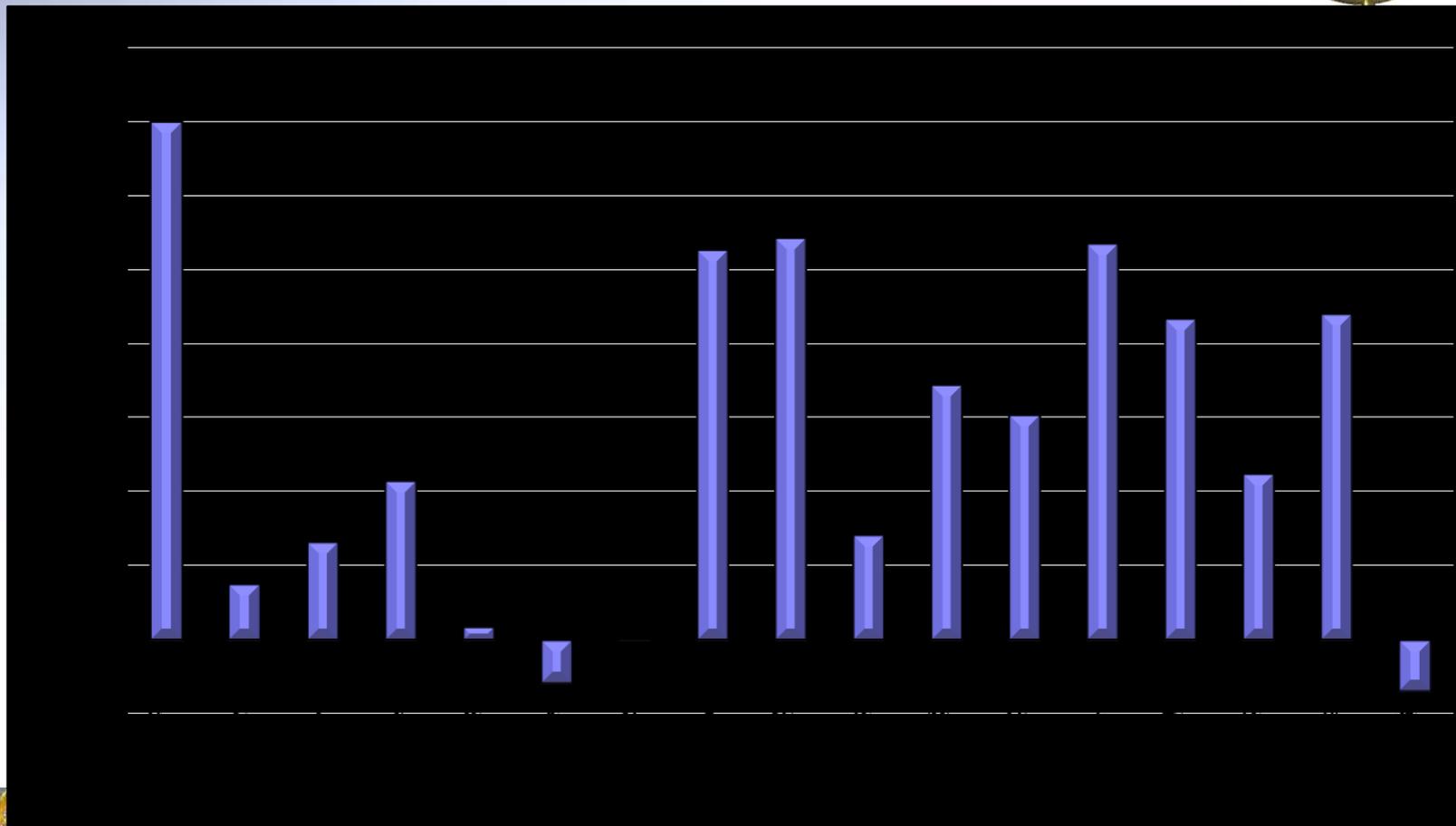


Source: NSO Labor Force Survey and NSO National Accounts for the periods 1986-2008, 2007-2009 data is preliminary,



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# Labor Productivity Growth by Region (2003/2009)



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Source: NSO Labor Force Survey and NSCB Regional Accounts. From 2003 regional estimates of labor productivity provided by the NSO used the revised regional groupings as per Executive Order 36 and 103.

# Way Forward: Path for Achieving the MDGs in the Philippines



- Provide an enabling environment for private sector investment which balances productivity growth and employment in a sustainable manner. DOLE is working with key partners to help identify those sectors that could serve as a catalyst for both economic growth and poverty reduction
- Public Private Partnership investments in infrastructure that will help reduce the cost of production and improve competitiveness both internationally and domestically



## Way Forward: Path for Achieving the MDGs in the Philippines



- Review of national policies and legislation relating to economic growth and employment which will help reinforce the need to balance the two in order to achieve poverty reduction while ensuring a labor market that is flexible but provides income protection, social and welfare security and a strong and cooperative social dialogue mechanism
- Cultivate agricultural policies and legislation that will provide the necessary tools (i.e., access to capital, education and training, information and knowledge and a stable and secure transportation system) to those in the sector with the largest proportion of workers in vulnerable employment



# Way Forward: Path for Achieving the MDGs in the Philippines



- Increase the productive potential of the country by fostering an environment that will support women and men who wish to enter the labor market with the ability to do so in a manner that allow them to balance the need of work and family life
- Enhance the national monitoring system by improving the collection, tabulation, dissemination and analysis of statistics and administrative records in order to refine and adjust policies at the national, regional and community levels; and
- Improve policy coherence and strengthen DOLE's role in contributing to dialogue and policy development on improved competitiveness and economic growth for employment creation.



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